GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:269
ANSWERED ON:09.12.2002
WAIVING OF LOANS OF FARMERS
NAWAL KISHORE RAI;SUSHIL KUMAR INDORA

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government have decided to postpone the recovery of loans and interest thereon from the farmers in the wake of drought situation in the country during 2002-2003;

(b) if so, the period for which the recovery of the loans has been postponed;

(c) the reasons for postponement of recovery of said loans and interest thereon instead of waiving of said loans;

(d) whether the Government propose to fix a period of ten years for recovery of the said loans; and

(e) if not, the reasons therefor?

Answer

MINISTER OF AGRICULTURE (SHRI AJIT SINGH)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFFERED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.269 DUE FOR REPLY ON 9TH DECEMBER, 2002.

(a)&(b): Yes, Sir. Reserve Bank of India has instructed all the banks not to recover the principal and interest amount of Kharif loan during the current financial year. The principal amount should be converted into term loan and recovered over a period of five years in respect of small and marginal farmers and four years in case of other farmers.

(c): In the event of natural calamities and the failure of crops, immediate relief that the farmers need is postponement of recovery because of impairment of their repaying capacity. Reserve bank of India has, therefore, in consultation with the Government of India issued standing instructions for the banks to postpone the recovery and for conversion/rephasement of loans for longer period. Further, to enable the farmers to sow the next crop, fresh loans are provided.

(d): No, Sir.

(e): Does not arise.